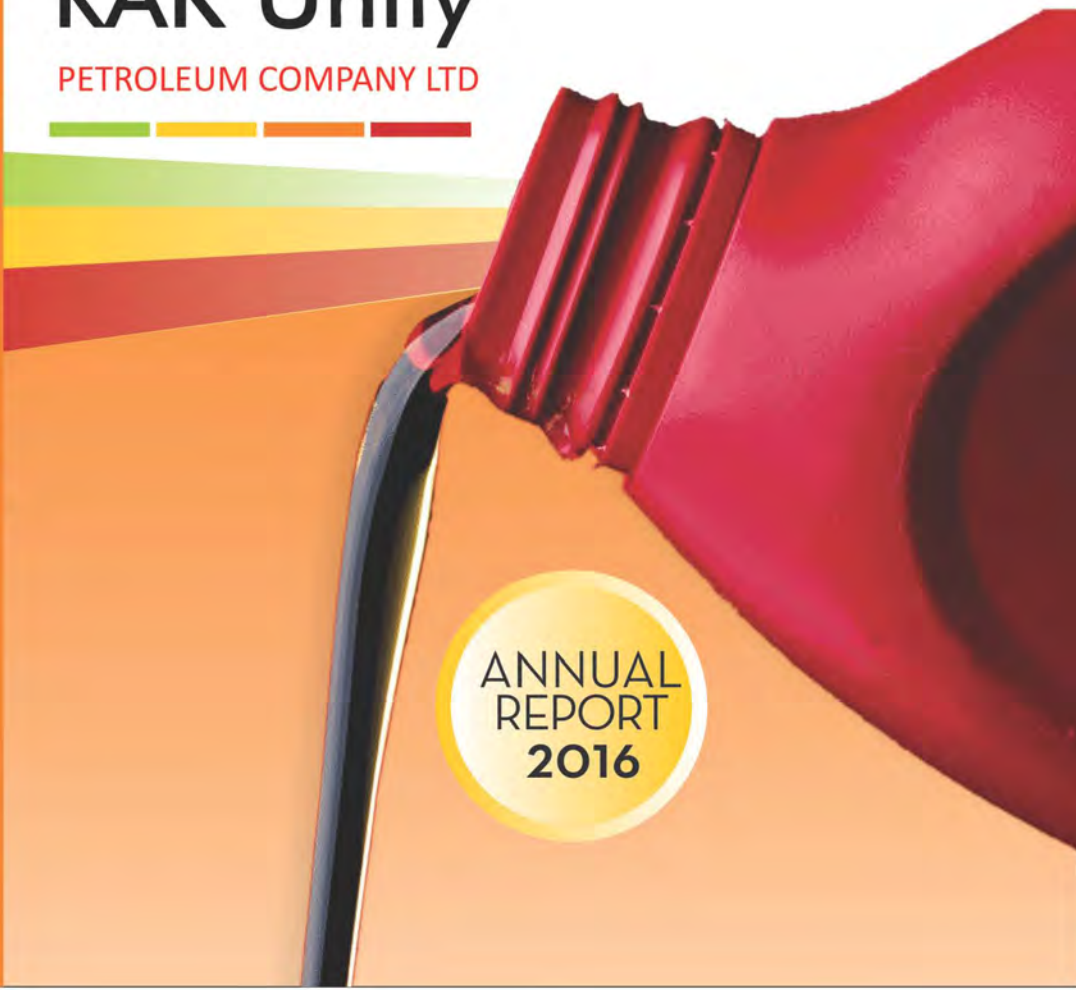
2016 ANNUAL REPORT & ACCOUNTS

RAK Unity

...energy redefined

RAK Unity

PETROLEUM COMPANY LTD



ANNUAL REPORT 2016

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Mission:
"Why we exist"

Profitably run model petroleum and allied product sales operations in a manner that is environmentally sustainable and rewarding to all our stakeholders

Visions:
"What we want to become"

One of the leading retailers of petroleum products in Nigeria driven by excellence in our operations and customer service

CORPORATE INFORMATION

DIRECTORS:	Alhaji Mallam M. Lawan Buba	-	Chairman
	Engineer James Ogungbemi	-	Managing Director
	Mr. O. C. Okonkwo	-	Non-Executive Director
	Edo-Abasi Bassey Ukpong	-	Non-Executive Director
	Nonny Patricia Ugboma	-	Non-Executive Director
	Moroti Adedoyin-Adeyinka	-	Non-Executive Director
	Aderonke Olayemi Onadeko	-	Non-Executive Director
COMPANY SECRETARY REGISTERED OFFICE:	Alsec Nominees Limited St. Nicholas House (13th floor) Catholic Mission Street, Ikoyi Lagos.		
COMPANY REGISTERED ADDRESS:	Block 5 Water Corporation Road GRA Ijora, Lagos.		
PHONE NUMBER:	012704833, 012708334		
COMPANY REGISTRATION NUMBER:	RC 51563		
AUDITORS:	Akintola Williams Deloitte 235 Ikorodu Road, Ilupeju, Lagos.		
COMPANY REGISTRARS:	First Registrars Nigeria Limited Plot 2 Abebe Village Iganmu, Lagos		
SOLICITORS:	Udo Udoma & Belo Osagie, (Barristers and solicitors) St. Nicholas House (10th and 13th floor) Catholic Mission Street, Ikoyi Lagos.		
PRINCIPAL BANKERS:	Zenith Bank Plc. Guaranty Trust Bank Plc.		
DESIGNATED ADVISERS:	Afrinvest (West Africa) Ltd 27 Gerard Road Ikoyi, Lagos.		

RESULT AT A GLANCE

	2016 N'000	2015 N'000
Revenue	6,682,951	7,246,034
Profit before taxation	80,849	132,264
Profit after taxation	53,346	89,759
Share capital	28,312	28,312
Shareholders' funds	506,336	469,977
Proposed dividend	-	16,987

	March 2016	March 2015
PER SHARE DATA:		
Based on 56,624,893 ordinary shares of 50 kobo each:		
Earnings per 50k share (Naira) – basic	0.94	1.59
Dividend per 50k share (Naira)	-	.30
Dividend cover (times)	-	5.30

COMPANY PROFILE

Rak Unity Petroleum Company Limited (" the Company" or "Rak Unity") was incorporated on 20th December 1982 as a private limited liability company under the Companies Act 1968, and was converted to a public company on 16th November 1987. The Company is listed on Alternative Securities Market of the Nigerian Stock Exchange and was the first indigenous petroleum company to be so listed.

At inception, the Company had its main objective, the marketing of and distribution of petroleum products, purchased from the Nigerian National Petroleum Corporation ("NNPC"), within Nigerian and the West African sub region. The products distributed by the Company included Petrol ("PMS"), Diesel ("AGO"), Gas ("LPG") and Kerosine ("DPK"). The Company also distributed Engine Oil and Brake Fluid.

The Company went into decline and was dormant for 15 years due to scarcity in petroleum products, change in government policy and increased competition.

The Emerging Market Unit of the Nigerian Stock Exchange, wanting to revive dormant companies listed on the second tier market, encouraged investors seeking to inject capital into such companies to do so with the expectation that such companies when resuscitated would be vibrant enough to seek quotation in the first tier market. Pursuant to this initiative, Toparte Nigeria Limited ("Toparte") expressed an interest in being a core investor in the Company.

Toparte invested in the Company as a core investor with the intent to turn around the Company and the process closed by 31st March, 2014. Toparte currently holds 85% of the issued share capital of the Company and a diverse group of Nigerians hold the remaining 15%.

The Company resumed full operations on 1st April 2013 and currently owns 5 petrol stations located in different parts of the nation.

NOTICE OF THE 13TH ANNUAL GENERAL MEETING OF RAK UNITY PETROLEUM COMPANY PLC

NOTICE IS HEREBY GIVEN THAT the 13th Annual General Meeting of Rak Unity Petroleum Company Plc will be held on **Friday, 28th October, 2016** at **Ostra Hall Hotel behind M.K.O Gardens, Opp. Nigerian National Petroleum Corporation ("NNPC") Gas Plant, Central Business District, Alausa, Lagos** at 11.00 a.m.

ORDINARY BUSINESS

1. To lay before the members the Audited Accounts of the Company for the year ended 31st March 2016 together with the Reports of the Directors and the Auditors thereon.

2. To re-elect Directors.

3. To authorise the Directors to determine the remuneration of the Auditors.

4. To elect members of the Audit Committee of the Company.

SPECIAL BUSINESS

5. To determine the remuneration of the Directors.

6. To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

"That, subject to the post listing rules of The Nigerian Stock Exchange, (namely, the Rules Governing Transactions with Related Parties or Interested Persons), a General Mandate be and is hereby given for the Company to enter into recurrent related party or interested party transactions; provided such transactions are of a revenue or trading nature or are necessary for the Company's day to day operations; And that the Directors be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions as authorised by this Ordinary Resolution".

Dated this 15th day of September, 2016

BY ORDER OF THE BOARD

ALSEC NOMINEES LIMITED
Company Secretaries

OYINDAMOLA EHIWERE, FCIS FRCN/2013/ICSAN/00000001651

For:ALSEC NOMINEES LIMITED

Company Secretary

Registered Office:
Block 5, Water Corporation Road,
Ijora GRA, Lagos.

NOTES:

1. **PROXY**

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. A Proxy Form is enclosed herewith, and if it is to be valid for the purpose of the meeting, it must be completed and duly stamped by the Commissioner of Stamp Duties and deposited at the office of the Registrars, First Registrars & Investor Services Limited, Plot 2 Abebe Village, Iganmu, Lagos, not less than 48 hours before the time of the meeting.

2. **CLOSURE OF REGISTER AND TRANSFER BOOKS**

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Wednesday, 19th October, 2016 to Tuesday, 25th October, 2016 both days inclusive for the purpose of updating the Register of Members.

3. **NOMINATIONS FOR THE AUDIT COMMITTEE:**

In accordance with Section 359 (5) of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Such nominations should be guided by the requirements of the Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria, 2011.

4. **ELECTRONIC COMPLAINTS REGISTER**

Please note that in accordance with the Securities and Exchange Commission's Rule No. 10(a) shareholders who have complaints should use the electronic complaints register on the website of the Company at www.rakunity.com to register their complaints. This will enable the company handle complaints from shareholders in a timely, effective, fair and consistent manner.

The electronic version of the Annual Reports and Accounts for the year ended 31st March, 2016 is available on the Company's website www.rakunity.com.

5. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.12(c) of the Nigerian Stock Exchange Rulebook 2015, please note that Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting. Kindly submit such questions to the Company Secretary on or before the 14th day of October, 2016.

CHAIRMAN'S STATEMENT

Distinguished Shareholders, members of the Board of Directors, representatives of the regulatory authorities here present, invited guests, gentlemen of the press, ladies and gentlemen, it is with great honour that I welcome you, as your new Chairman, to the 13th Annual General Meeting of your Company. The former Chairman of your Company Mallam Muhammad Lawan Buba resigned from the Board as a director on 24th June 2016 to take up a national appointment.

I am delighted to present to you the Directors' Report and Financial Statements for the year ended 31st March, 2016.

OPERATING ENVIRONMENT

The aggregate global economic growth in 2015 was 3.1 percent, which is relatively lower than 3.4 percent achieved in 2014. The world market experienced a sharp drop in the price of crude oil as a result of low demand as compared to high supply of crude oil. The US Dollar continues to strengthen against all other major trading currencies such as the Euro, Pound etc. The Naira equally experienced a major depreciation in value in the parallel market moving from about N150/$ to as low as ₦260/$ by December 2015 due to the drop in the price of crude oil and crude oil production, which is our major source of foreign exchange.

The year 2015 was filled with a lot of economic, social, security, political and regulatory uncertainties. The nation successfully conducted national elections, which resulted in the change of the governing party from the Peoples Democratic Party to the All Progressives Congress.

The Nigerian economy experienced a lot of drag within the financial year. According to the National Bureau of Statistics, the annual real GDP dropped to 2.97% in 2015 compared to the 7.98% in the previous year. Inflation rate has been on the rise with an inflation figure of 9.55% in 2015 compared to the inflation figure of 7.98% in the previous year. The value of total trade has been declining, and the anticipated growth in the economy in 2016 has been on a stall amidst various reasons such as the continuous depreciation of the Naira; delayed budget approval and implementation; inconsistency in government policies; low price and production of crude oil; and a general slowdown in the economy.

The Federal Government deregulated the downstream sector by reviewing upwards the price of Premium Motor Spirit (PMS). This decision was triggered by the continuous scarcity experienced in 2015 and the first quarter of 2016, devaluation and depreciation of the Naira against the Dollar and the inability of the Central Bank of Nigeria (CBN) to meet the demand of forex by importers of petroleum products.

During the financial year under review, there were a lot of security threats with the advent of a new militant group in the Niger-Delta region. This group claimed responsibility for the destruction of major oil installations and pipelines; reducing crude oil production and revenue. The Boko Haram sect continued to terrorize the north-eastern part of the country, thereby slowing down the operations of businesses within this region. There was an outbreak of deadly diseases such as Lassa fever and Avian Influenza (popularly known as bird flu), in the year. Thankfully it was controlled quickly thereby avoiding an epidemic.

These challenges notwithstanding, your company's revenue was fairly stable within the year compared to the immediate past year.

OPERATING RESULTS

Distinguished Shareholders, 2015/16 was the third year of your Company resuming full operations after about 20 years of dormancy. It recorded a drop of 8% in revenue due to some of the aforementioned challenges in the period under review.

The Company's Gross Revenue was ₦6.7 billion compared to ₦7.2 billion in the preceding year, Profit before Taxes was ₦80.8 million compared to ₦132.3 million for last year Profit after Taxes was ₦53.3 million compared to ₦89.8 million recorded in 2015. Your Company's earnings per share for the year ended 31st March, 2016 was ₦0.94 compared to ₦1.59 kobo for last year. Shareholders' fund was N506.3 million compared to ₦470 million for last year.

DIVIDEND PAYMENT

Distinguished Shareholders, due to the current state of the economy and the Board consideration for future growth and expansion of our company, the Board of Directors has not proposed any dividend for the financial year ended 31 March 2016. The earnings will be reinvested in order to ensure sustainable growth, expansion and stability of our company.

The Board of Directors strongly believes that the sacrifice of this year will result in positive growth for the Company and is confident that the Company will resume steady payment of dividend soonest.

BOARD MATTERS

The board carried out its functions with help from various committees in line with the requirements of the law and in accordance with best practices. As mentioned earlier, the former Chairman of the Board Mallam Buba resigned from the Board effective from 24th June 2016 to take up a national appointment. We owe him a lot of gratitude for resuscitating the Company and steering it on the path of profitability.

Upon his resignation, the directors appointed me as the new Chairman of the Board.

CORPORATE OUTLOOK

The Company currently operates 6 retail stations under Lease Agreements and it is looking to induct 4 stations in this current financial year, two in the east and two in the west. These locations have been chosen due to their potential and relative large market sizes.

The oil and gas industry is currently experiencing some turbulence with the drop in the price of crude and the highly volatile prices of refined petroleum products. The prices of refined products have been on the rise because of the inability of marketers to source forex from the Central Bank of Nigeria (CBN) and the continuous decline in the value of the Naira. The Company will continue to sustain its business and growth by continuously responding swiftly to the economic realities and ensuring that it maintains a strong customer base by adhering to its four key pillars, Quality and Quantity Assurance; Innovative approach to meeting customers' demands; Great customer service and Consistent on-time product delivery.

The Company is determined to continue to strive to achieve all its projected growth amidst the stiff economic variables as far as it is practicable and sustainable.

In the current year (2016/17) Quarter 1 and Quarter 2 results of the Company were slightly promising in spite of the relative increase in power supply and economic downturn in the country (especially during the quarter three of 2016 fiscal year).

I am confident that your Company has embarked on the path of growth and profitability and the future prospect is bright and promising.

CONCLUSION

Distinguished Shareholders, I wish to express my profound gratitude for your encouragement and support during the year. I assure you that the Board is optimistic about a sustainable growth in the future.

I would also like to express my appreciation to my colleagues on the Board, the Management and staff of the Company, for their hard-work and commitment.

I thank all the invitees here present and wish you safe journey back to your respective destinations.

Thank you and God Bless.

EDO-ABASI BASSEY UKPONG
CHAIRMAN

DIRECTOR'S PROFILE

Alhaji Mallam Muhammed Lawan Buba

Mallam Buba obtained a B.A Hons. from the Ahmadu Bello University, Zaria in 1975. He served in numerous capacities at the University of Maiduguri from 1985-1990 including being the Deputy Registrar in charge of Physical Developments and the Registrar and Secretary to the Council of the University.

Mallam Buba also held several public service positions in Borno State. He was at one time, the Administration Officer in charge of Monguno Local Government, Borno State from 1976 to 1985 and served as the Commissioner for Health from 1982-1984 and a member of the State Executive Council.

He joined the Nigerian National Petroleum Corporation ("NNPC") in 1990, where his first assignment was at HYSON/CALSON, where he served as Executive Director in charge of Services and rose to become the Managing Director in 1991.

He served as the Managing Director of the Pipelines and Products Marketing Company (PPMC) Limited (1991 to 1994), and became the Group General Manager, Downstream Investments in 1995. He ended his career with the NNPC as the Group Executive Director, Commercial and Investment in 1999.

He is currently the Chairman of Brass LNG and sits on the board of several other companies.

Mr. James Ogungbemi (Managing Director/Chief Executive Officer

Mr. James Ogungbemi obtained a B.Sc in Chemistry from the Ahmadu Bello University Zaria in 1971. He then proceeded to obtain a post graduate diploma in analytical chemistry and a certificate in engineering, from the University of Ibadan in 1973 and Nissan Chemical Industries, Japan in 1974 respectively.

Subsequently, he obtained a Masters degree in analytical chemistry and instrumentation at the Loughborough University, Leicestershire, UK in 1977.

Mr. Ogungbemi has over 34 years experience in the oil and gas sector in Nigeria having worked in various capacities for a number of institutions such as the Federal Superphosphate Fertilizer Company Limited Kaduna (FSFC) from 1974 - 1986, where he worked as the Chief Analytical and Research Chemist and the Kaduna Refining and Petrochemical Company Limited (KRPC) from 1989 to 1995 where he rose to the position of Procurement Manager.

At the Nigerian National Petroleum Corporation (NNPC), he was the Head, Production Planning and Control from 1986 to 1989. He also worked with the Pipeline & Products Marketing Company (PPMC) beteween1995 and 1996, where he functioned in the capacity of Area Manager, Mosinmi Operations before rising to the position of Executive Director, Operations.

He has since been active in other private business development ventures in the downstream sector of the oil and gas industry.

Mr. O.C. Okonkwo

Mr. Okonkwo obtained a B.Sc in Statistics from the University of Ibadan in 1977. He has over 20 years of dedicated service with the NNPC which he joined in 1978 and was seconded to the Pipelines and Products Marketing Company (PPMC) Limited as a statistician in the same year.

Mr. Okonkwo rose to the position of O/C of Export Section of PPMC in 1988, where he oversaw all the export related activities of refined products produced by Nigerian refineries.

Thereafter, Mr. Okonkwo was promoted to the position of Head of Sales PPMC in 1992 where his responsibilities included managerial leadership of all PPMC's import and exports activities. He acted as the Managing Director, PPMC and Executive Director of Services between 1995 and 1997.

In 1997, he became the General Manager, Commercial (PPMC), where his portfolio included the oversight of the commercial activities of PPMC. Mr.

Okonkwo rose to become the Managing Director of PPMC in 1998.

He is currently the Chairman of the following companies: Tacoma Trading Company Nigeria Ltd, Fender Care Nigeria Limited and Bulkship Tankers Nigeria Ltd.

Ms. Nonny Ugboma

Ms. Nonny Ugboma is currently the Executive Secretary of MTN Foundation and she leads a diverse team of eighteen (18) partner organizations to roll out impactful education, health and economic empowerment projects across Nigeria. She is an accountant with over eighteen (18) years cross functional corporate experience in various organizations and technical expertise in Corporate Social Responsibility, Stakeholders Management, Project Management, Strategy Development, Business Planning, Financial Assessment and Process Engineering and Management.

Having obtained a B.Sc. in Accounting and Financial Analysis at the University of Warwick, Coventry, England in 1992, Ms. Ugboma proceeded to Kings College, London, England where she obtained an M.Sc. in International Management in 1994.

She began her career in England with an asset management company and then proceeded to work in an Audit and Financial Consulting firm - Arthur Andersen, Lagos, Nigeria. Subsequently she worked in Silicon Valley (San Jose, USA) for high-tech companies as a Financial Analyst. The skills and experiences garnered since the completion of her education prompted her to join MTN Nigeria where she has worked for over 11 years.

Mr. Edo-Abasi Bassey Ukpong

Mr. Edo-Abasi Bassey Ukpong is an astute commercial lawyer with about thirty (30) years experience and he currently manages the law firm of Consolex Legal Practitioners. Mr. Ukpong is proficient in the operations of upstream and downstream, oil companies, as well as in local and international commercial transactions. He participated in the production of the draft Local Content Bill for the Petroleum Industry in 2002, on behalf of the National Assembly and was also a member of the Technical Committee for the Review of Capital Market Structure and Processes established by the Securities and Exchange Commission in 2008. He has also held numerous leadership positions with associations focusing on law, business and governance.

Mr. Ukpong was a State Counsel in the Ministry of Justice, Lagos State from 1985 to 1986, Assistant Lecturer at the University of Uyo from 1986 to1987 and an Associate in the Law Firm of Ajumogobia, Okeke & Oyebode from 1987 to1991 after which he co-founded the law firm of Ukpong & Omotoso in 1992, which merged with other established Law Firms to become Consolex Legal Practitioners in 2006.

Mrs. Moroti Adedoyin-Adeyinka

Mrs. Adedoyin-Adeyinka obtained a B.Sc in Economics from the University of Lagos (1991). An alumna of the prestigious Harvard University, Boston USA, where she obtained a diploma in General management in 2008, she has had over 11 years experience as a chartered accountant since she qualified under the auspices of the Institute of Chartered Accountants of Nigeria (ICAN) and has functioned in varying capacities in the accounting profession, for a number of reputable organisations.

Mrs. Adedoyin-Adeyinka started her career with Coopers & Lybrand accounting firm, now PricewaterhouseCoopers (PwC), where she worked from 1991 to 1995 as a trainee accountant. In that same year her versatile nature saw her pursuing a diploma in French from the Badagry French Village and then a brief stint with Interworld Management & Services from 1995 to 1997 as an office manager, overseeing the finance department and carrying out general administrative duties of the firm.

She worked as an accountant with KLM from 1998 to 2001, before joining Sahara Group in 2002 where she worked as finance manager, rose to the position of Group Treasurer in 2006 and then was subsequently appointed as CEO of the Group's Trading arm in 2009. Mrs. Adedoyin-Adeyinka has since participated in other private business development ventures in the oil and gas industry.

Ms. Ronke Onadeko

Ms. Onadeko is a seasoned businesswoman with over 23 years' experience in the area of oil and gas operations, trading and marketing, and management. She brings complimentary skills in relationship building, strategy, business development and networking.

She is the principal consultant at DRNL Consult Limited, UK and Delt-R Company Limited, Nigeria.

She has acted as country director and in-country representative for BNP Paribas in Nigeria since 2005. She advises BNP Paribas and represents the bank's entire service offering, specifically Corporate & Investment Banking, Asset Management and Wealth Management.

Ms. Onadeko also acts as an independent consultant to Facility for Oil Sector Transparency and Accountability ("FOSTER") in Nigeria, an initiative of the UK's Department for International Development (DFID), and as an agent for international clients in the energy, power and oil and gas and telecommunication sectors.

She obtained her Bachelor's Degree in Resource Development Food Science & Technology from the University of Rhode Island, USA and her MBA from Durham University's Business School in the United Kingdom and the China-Europe International Business School, Shanghai (CEIBS), China. She is an alumna of the Lagos Business School (The Pan African University) and obtained post graduate training at Oxford University's College of Petroleum and Energy Studies.

She is a Fellow of the Archbishop Desmond Tutu Leadership Program and has received numerous awards for her contribution to entrepreneurship and business development.

ANNUAL REPORT 2016

REPORT OF THE DIRECTORS

The Directors present their report on the affairs of RAK Unity Petroleum Company Plc (the "Company") together with the financial statements for the year ended 31st March 2016.

LEGAL FORM

The Company was incorporated on 20th December 1982 as a private limited liability company under the Companies and Allied Matters Act 1968, and was converted to a public company on 16th November 1987. The Company is listed on the Alternative Securities Market of the Nigerian Stock Exchange.

PRINCIPAL ACTIVITY

The principal activity of the Company is the sale and distribution of petroleum products.

RESULTS

The operating results of the Company for the year ended 31st March 2016 is as shown below:

	2016 ₦'000	2015 ₦'000	Change %
Revenue	6,682,951	7,246,034	(8)
Profit before tax	80,849	132,264	(39)
Taxation	(27,503)	(42,505)	35
Profit after tax	53,346	89,759	(41)

DIVIDEND

The Directors did not recommend payment of dividend during the year ended 31 March 2016.

DIRECTORS

The Directors of the Company who held office during the year under review were the following persons:

Mallam Muhammad Lawan Buba	Chairman
Mr. Obumneme Chukwumobi Okonkwo	Non-Executive Director
Mr. James Ogungbemi	Managing Director
Mr. Edo-Abasi Bassey Ukpong	Non-Executive Director
Ms. Nonny Patricia Ugboma	Non-Executive Director
Mrs. Moroti Adedoyin-Adeyinka	Non-Executive Director
Ms. Aderonke Olayemi Onadeko	Non-Executive Director

DIRECTORS' INTEREST IN SHARES

For the purpose of section 275 of the Companies and Allied Matters Act, CAP C20, LFN 2004, the Directors have no direct interest in the shares of the Company. The following directors are representing the interest of the majority shareholder (Toparte Nigeria Limited) on the Board:

Director	Direct Holding 2016	Indrect Holding Through Toparte Nigeria Limited 2016	Direct Holding 2015	Through Toparte Nigeria Limited 2016
Mallam Muhammad Lawan Buba	Nil	48,131,159	Nil	48,131,159
Mr. Obumneme Chukwumobi Okonkwo	Nil	48,131,159	Nil	48,131,159
Mr. James Ogungbemi	Nil	48,131,159	Nil	48,131,159

SHARE HOLDING STRUCTURE

The issued share capital of the Company is ₦28,312,446.50 divided into 56,624,893 ordinary shares of 50kobo each and is beneficially held as follows:

NAME OF SHAREHOLDER	NO OF SHARES HELD	%
Toparte Nigeria Limited	48,131,159	85
Public	8,493,734	15
Total	**56,624,893**	**100**

No shareholder, except as disclosed above held more than 5% of the issued capital as at 31 March 2016.

The distribution of the Company's shares is reflected in the range analysis below:

RANGE			No of Holders	Holders %	Units	Units %
1	-	1000	5,154	86.87	1,932,595	3.41
1,001	-	5,000	663	11.17	1,410,796	2.49
5,001	-	10,000	65	1.10	478,904	0.85
10,001	-	50,000	44	0.74	872,212	1.54
50,001	-	100,000	4	0.07	340,000	0.60
100,001	-	500,000	1	0.02	140,000	0.25
500,001	-	56,624,893	2	0.03	51,450,386	90.86
			5,933	100.00	56,624,893	100.00

DIRECTORS' RESPONSIBILITIES

In accordance with the provisions of the Companies and Allied Matters Act, CAP C20, LFN 2004, the Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Company.

Their responsibilities include ensuring that:

- Appropriate internal controls are established both to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

- The Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

- The Company has suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and

- The financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

CORPORATE GOVERNANCE REPORT

The Board of Directors continues to focus on strategies to reposition the Company on the path of profitability and engender the sustainability of its operations. The Board recognises that good corporate governance is a pivot for success and it therefore continues to develop frameworks to comply with the Corporate Governance Code of the Securities and Exchange Commission and best practices. The Board has implemented, and operates in accordance with, a set of corporate governance principles which are fundamental to the Company's continued growth and success.

DIRECTORS' ATTENDANCE AT MEETINGS

The Board held three meetings during the year and below is a record of attendance of the directors at the meetings.

SN	NAME	11th June, 2015	17th September, 2015	27th January, 2016
1	Mallam Muhammad Lawan Buba	✓	✓	✓
2	Mr. James Ogungbemi	✓	✓	✓
3	Mr. Obumneme Chukwumobi Okonkwo	✓	✓	✓

SN	NAME	11th June, 2015	17th September, 2015	27th January, 2016
4	Mr. Edo-Abasi Bassey Ukpong	✓	✓	✓
5	Ms. Nonny Patricia Ugboma	✓	✓	✓
6	Mrs. Moroti Adedoyin-Adeyinka	-	✓	-
7	Ms. Aderonke Olayemi Onadeko	-	-	-

As statutorily required two of the Directors, Mr. Edo-Abasi Bassey Ukpong and Ms. Nonny Patricia Ugboma, would be retiring at the Annual General Meeting and being eligible, have offered themselves for re-election.

BOARD COMMITTEES

In addition to the statutory Audit Committee, the Board has two Committees and the following directors are members of the Committees:

A. Board Risk Management and Audit Committee;
i. Ms. Nonny Ugboma;
ii. Mr. Obumneme Chukwumobi Okonkwo; and
iii. Mrs. Moroti Adedoyin-Adeyinka – Became a member on 11th June, 2015

ATTENDANCE AT MEETING

SN	NAME	9th June, 2015	17th September, 2015	25th January, 2016
1	Ms. Nonny Patricia Ugboma	✓	✓	✓
2	Mr. Obumneme Chukwumobi Okonkwo	✓	✓	✓
3	Mrs. Moroti Adedoyin-Adeyinka	-	-	-

B. Governance, Nomination and Remuneration Committee;

i. Mr. Edo-Abasi Bassey Ukpong;
ii. Ms. Nonny Ugboma; and
iii. Ms. Aderonke Olayemi Onadeko - Became a member on 11th June, 2015

ATTENDANCE AT MEETING

SN	NAME	11th June, 2015	17th September, 2015	27th January, 2016
1	Mr. Edo-Abasi Bassey Ukpong	✓	✓	✓
2	Ms. Nonny Patricia Ugboma	✓	✓	✓
3	Ms. Ronke Onadeko	-	-	-

STATUTORY AUDIT COMMITTEE

The Audit Committee is composed of four (4) members, two (2) Shareholders' Representatives and two (2) Directors. A shareholders' representative chairs the committee meetings.

The following are the members of the Committee

i. Mr. Solomon Akinsanya;
ii. Mr. Tajukola Onitiju;
iii. Ms. Nonny Patricia Ugboma; and
iv. Mr. Obumneme Chukwumobi Okonkwo

ATTENDANCE AT MEETINGS

SN	NAME	9th June, 2015	17th September, 2015	25th January, 2016
1	Mr. Solomon Akinsanya	✓	✓	✓
2	Mr. Tajukola Onitiju	✓	✓	✓
3	Ms. Nonny Patricia Ugboma	✓	✓	✓
4	Mr. Obumneme Chukwumobi Okonkwo	✓	✓	✓

SYMBOLS	MEANING
✓	Present
-	Absent

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is disclosed in Note 13 to the financial statements

EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees whether physically challenged or not are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers.

In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that training, career development and promotion of physically challenged persons should, as far as possible, be similar to that of other employees.

The Company presently does not have a physically challenged person in its employment.

HEALTH, SAFETY AT WORK AND WELFARE OF EMPLOYEES

The Company strives to ensure that hygiene on its premises is of the highest standard. Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations.

EMPLOYEES INVOLVEMENT AND TRAINING

The Company is committed to keeping employees fully informed as far as possible regarding the Company's performance and progress and seeking their views wherever practicable on matters which particularly affect them.

Training is carried out at various levels through both in-house and external courses. Management, professional and technical expertise are the Company's major assets and the Company continues to invest in developing these skills.

INSIDER TRADING

For the purpose of compliance with the Investment and Securities Act 2007, the Directors of the Company and the employees who are in possession of price sensitive information are prohibited from dealing with the shares of the Company.

COMPLAINTS MANAGEMENT POLICY

The Company has in place a functional a Complaints Management Policy Framework in compliance with the Securities & Exchange Commission rule, which became effective in 2015. The Complaints Management Policy Framework is accessible to all shareholders, employees and customers on www.rakunity.com

AUDITORS

In accordance with section 357(2) of the Companies and Allied Matters Act, CAP C20, LFN 2004, the Auditors, Akintola Williams Deloitte, have indicated their willingness to continue in office as auditors of the Company. A resolution will be proposed at the Annual General Meeting to authorise the Directors to determine their remuneration.

Dated the ...28... day of ...June..........................., 2016

BY ORDER OF THE BOARD

ALSEC NOMINEES LIMITED
Company Secretaries

ALSEC NOMINEES LIMITED
COMPANY SECRETARY
FRCN/2013/ICSAN/00000001651

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

The Directors of Rak Unity Petroleum Plc ("the Company") are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 March 2016, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the Company's financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of Company; and preventing and detecting fraud and other irregularities.

Going Concern:
The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

The financial statements of the Company for the year ended 31 March 2016 were approved by the Board of Directors on 28. June.. 2016

On behalf of the Directors of the Company

James Ogungbemi
Chief Executive Officer/Managing Director
FRC/2013/NIM/00000004313

Okonkwo Obumneme Chukwumobi
Director
FRC/2014/IODN/00000008764

Adebayo Olumuyiwa
Financial Controller
FRC/2013/ICAN/00000000863

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REPORT OF THE STATUTORY AUDIT COMMITTEE TO THE MEMBERS OF RAK UNITY PETROLEUM PLC

In accordance with the provision of section 359(6) of the Companies and Allied Matters Act (CAP C20), Laws of the Federation of Nigeria 2004, we confirm that;

1. We reviewed the scope and planning of the audit requirements;
2. We reviewed the external auditors' management reports for the year ended 31st March, 2016 as well as the management response thereon; and
3. We ascertained that the accounting and reporting policies of the Company are in accordance with legal requirement and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31st March, 2016 were adequate and we have reviewed the external auditors' findings on management matters and are satisfied with the responses to the findings.

In addition, the scope, planning and reporting of the Financial Statements are compliant with the requirement of the International Financial Reporting Standards as adopted by the Company.

Dated this 28th day of September, 2016.

Akinsanya Sunday .S,
Chairman, Audit Committee

MEMBERS OF THE AUDIT COMMITTEE

MR. SUNDAY AKINSANYA .S.	CHAIRMAN
MS. NONNY UGBOMA	MEMBER
MR. OBUMNEME OKONKWO	MEMBER
MR. TAJUKOLA ONITIJU	MEMBER
ALSEC NOMINEES LIMITED	SECRETARY

ANNUAL REPORT 2016

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAK UNITY PETROLEUM PLC.

Report on the Financial Statements

We have audited the accompanying financial statements of **Rak Unity Petroleum Company Plc. ("The Company")** which comprise the statement of financial position as at 31 March 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Rak Unity Petroleum Plc. as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Emphasis of Matter

We draw your attention to note 5.1 of the financial statements concerning the significance of sales made under an agency relationship between the Company and a related party. Our opinion is not qualified in respect of this matter.

Other reporting responsibilities

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. The Company has kept proper books of account, so far as appears from our examination of those books.

iii. The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Abegunde Olufemi FCA-FRC/2013/ICAN/00000004507
For: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
28 June **2016**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Revenue	5	6,682,951	7,246,034
Cost of sales	6	(6,234,247)	(6,896,859)
Gross Profit		**448,704**	**349,175**
Distribution expenses	9	(165,285)	(114,050)
Administrative expenses	9	(221,656)	(103,973)
Operating Profit		**61,763**	**131,152**
Other income	10	19,086	1,112
Profit before taxes		**80,849**	**132,264**
Income taxes	11	(27,503)	(42,505)
Profit for the year		**53,346**	**89,759**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**53,346**	**89,759**

Earnings per share (EPS):

- Basic EPS (in the nearest Naira)	0.94	1.59
- Diluted EPS (in the nearest Naira)	0.94	1.59

The accompanying notes on pages 41 to 94 form an integral part of these financial statements

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STATEMENT OF FINANCIAL POSITION

ASSETS:	Note	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Non-Current Assets			
Property, plant and equipment	13	67,272	44,758
Prepayment non - current	17	61,162	65,092
Non-current assets		**128,434**	**109,850**
Current assets			
Inventory	14	50, 552	-
Trade and other receivables	15	819,103	512,205
Prepayment - current	17	32,387	29,152
Cash and cash equivalents	16	379,217	44,933
Current assets		**1,281,259**	**586,290**
Total Assets		**1,409,693**	**696,140**
EQUITY:			
Share capital	18	28,312	28,312
Share premium	18	307,576	307,576
Retained earnings		170,448	134,089
Total Equity		**506,336**	**469,977**
LIABILITIES:			
Non-Current Liabilities			
Deferred tax liabilities	11	7,274	4,444
Non-current liabilities		**7,274**	**4,444**
Current Liabilities			
Trade payables and other payables	20	868,604	177,481
Current tax payables	11	27,029	43,585
Deferred Income	19	450	653
Current liabilities		**896,083**	**221,719**
Total Liabilities		**903,357**	**226,163**
Total Equity and Liabilities		**1,409,693**	**696,140**

The financial statements set out on pages 36 to 94 were approved by the Board of Directors on 28 June, 2016 and are signed on their behalf by:

James Ogungbemi, Chief Executive Officer/Managing Director
FRC/2013/NIM/00000004313

Okonkwo Obumneme Chukwumobi, Director
FRC/2014/IODN/00000008764

Adebayo Olumuyiwa, Financial Controller
FRC/2013/ICAN/00000000863

The accompanying notes on pages 41 to 94 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital ₦' 000	Share Premium ₦' 000	Retained Earnings ₦' 000	Total Equity ₦' 000
Balance as at 1 April 2014		**28,312**	**307,576**	**44,330**	**380,218**
Profit for the year		-	-	89,759	**89,759**
Other comprehensive income		-	-	-	**-**
Balance as at 31st March 2015		**28,312**	**307,576**	**134,089**	**469,977**
Profit for the year		-	-	53,346	**53,346**
Dividend paid	22			(16,987)	**(16,987)**
Other comprehensive income		-	-	-	**-**
Balance as at 31st March 2016		**28,312**	**307,576**	**170,448**	**506,336**

The accompanying notes on pages 41 to 94 form an integral part of these financial statements

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STATEMENT OF CASH FLOWS

	Note	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Cash Flows from Operating Activities:			
Profit for the year		53,346	89,759
Adjustments for:			
Income taxes recognised in profit or loss	11	27,503	42,505
Depreciation, amortisation, depletion and impairment	13	9,622	8,826
		90,471	**141,090**
Movements in working capital:			
Increase in inventory		(50,552)	-
(Increase) / decrease in trade and other receivables	15	(306,898)	267,319
Decrease in prepayments	17	695	30,429
Increase / (decrease) in trade and other payables	20	691,123	(607,160)
(Decrease) / increase in deferred income	19	(203)	233
Cash provided by/(used) in operations		**424,636**	**(168,089)**
Tax paid	11	(41,229)	(15,030)
Net cash provided by/(used) in operating activities		**383,407**	**(183,119)**
Cash Flows from Investing Activities:			
Purchase of property, plant and equipment	13	(32,136)	(13,777)
Net cash used in investing activities		**(32,136)**	**(13,777)**
Cash Flows from Financing Activities:			
Dividend paid	22	(16,987)	-
Net cash used in financing activities		**(16,987)**	**-**
Net increase/(decrease) in cash and cash equivalents		**334,284**	**(196,896)**
Cash and cash equivalents as at beginning of the year	16	**44,933**	**241,829**
Cash and cash equivalents at the end of the year	16	**379,217**	**44,933**

The accompanying notes on pages 41 to 94 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 General information about the reporting entity

Rak Unity Petroleum Company Plc ("the Company") was incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on 20th December 1982 and converted to a public company on 16th November 1987. The Company is domiciled in Nigeria and the address of its registered office is Block 5 Ijora GRA beside Lagos State Water Corporation Ijora Lagos. The principal activities of the Company are to carry on the business of Petroleum sales, Marketing, Store oils, Petrol, Gas, Kerosene, Filling station and erect structures for that purpose. The Company deals in Retail and Bulk supply of Petroleum Products.

1.1 Composition of financial statements

The financial statements comprise:

- Statement of financial position
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements.

Other national disclosures

- Value added statement
- Financial summary

1.2 Financial period

These financial statements cover the financial year from 1 April 2015 to 31 March 2016.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND INTERPRETATIONS BY THE INTERNATIONAL FINANCIAL REPORTING INTERPRETATIONS COMMITTEE (IFRIC)

2.1 Accounting standards and interpretations effective in the current year

The following new standards and amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 clarify the accounting treatment for contribution from employees or third parties to a defined benefit plan. According to the amendments, discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

This amendment is not applicable since the Company does not have any defined benefit plan.

Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle

The Annual Improvements include amendments to a number of IFRSs which have been summarized below:

IFRS 2 Definition of vesting condition: Share- based Payment:

The amendment is to clarify the definition of vesting condition and market condition to ensure the consistent classification of conditions attached to a share-based payment. It also adds definitions for performance condition service condition which were previously included as part of the definition of vesting condition.

This amendment is not applicable since the Company does not have share based payment.

IFRS 3 Accounting for contingent consideration in a business combination: Business Combinations

The amendment clarifies that contingent consideration should be measured at fair value at each reporting date, irrespective of whether or not the contingent consideration falls within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognised in profit and loss.

The application of this amendment does not have any impact on the disclosures or amounts recognised in the Company's financial statements.

2.1 Accounting standards and interpretations effective in the current year (Cont'd)

IFRS 3 Scope exceptions for joint ventures: Business Combinations
The amendment clarifies that IFRS 3 does not apply to the accounting for the formation of joint arrangement in the financial statements of the joint arrangement itself.

The application of this amendment does not have any impact on the disclosures or amounts recognised in the Company's financial statements as the Company does not have joint arrangement.

IFRS 8: Operating segments
The amendment (i) requires an entity to disclose the judgements made by the management in applying the aggregation criteria to operating segments, including a brief description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments share similar economic characteristics; and (ii) clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if information about the amount of the segment assets are regularly provided to the chief operating decision-maker.

IFRS 13 Short-term receivables and payables: Fair Value Measurement
The amendment to the basis for conclusion of IFRS 13 clarifies that the issuance of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
The application of this amendment does not have any impact on the disclosures or amounts recognised in the Company's financial statements.

IAS 16 & IAS 38 Revaluation method: Property, Plant and Equipment and Intangible Assets
The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortization when an item of property, plant and

equipment or an intangible asset is revalued.
The application of this amendment does not have any impact on the disclosures or amounts recognised in the Company's financial statements as the entity did not revalue any asset during the period.

IAS 24 Key management personnel: Related Party Disclosures
The amendment clarifies that a management entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

IAS 40 Investment Property
The amendment clarifies that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required.

The amendment is not applicable since the Company does not have an investment property nor have undertaken any transaction that need to be assessed as to whether it meets the definition of a business combination in accordance with IFRS 3.

2.2 Accounting standards and interpretations issued but not yet effective
The following revisions to accounting standards and pronouncements that are applicable to the Company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permit early adoption, the Company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the Company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Pronouncement	Nature of change	Effective date
IFRS 9 Financial Instruments (as revised in 2014)	IFRS 9 (as revised) will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date. One major change from IAS 39 relates to the presentation of changes in fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.	Annual periods beginning on or after 1 January 2018.
IFRS 14 Regulatory Deferral Accounts	IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities.	Annual periods beginning on or after 1 January 2016.

IFRS 15 Revenue from Contracts with Customers	IFRS 15 establishes a single comprehensive model for entities to use for revenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date: IAS 18: Revenue; IAS 11: Construction Contracts; IFRIC 13: Customer Loyalty Programmes; IFRIC 15: Agreements for the Construction of Real Estate IFRIC 18: Transfer of Assets from Customers; and SIC 31: Revenue-Barter Transactions Involving Advertising Services	Annual periods beginning on or after 1 January 2018.
IFRS 16 Leases	IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	Annual periods beginning on or after 1 January 2019

2.2 Accounting standards and interpretations issued but not yet effective (Cont'd)

Amendments to IAS 1 Disclosure Initiative	The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgement. Certain key highlights in the amendments are as follows: 1. An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. 2. An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.	Annual periods beginning on or after 1 January 2016.
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	The amendments to IAS 16 prohibits entities from using a revenue-based depreciation method for items of property, plant and equipment. The Amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset.	Annual periods beginning on or after 1 January 2016.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture defines a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	Annual periods beginning on or after 1 January 2016.
Amendments to IAS 27 Equity Method in Separate Financial Statements	The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements: a. at cost; b. in accordance with IFRS 9; or c. using the equity method as described in IAS 28 Investments in Associates and Joint Ventures	Annual periods beginning on or after 1 January 2016.
Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations.	Annual periods beginning on or after 1 January 2016.

3.0 Significant Accounting Policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Financial Reporting Council of Nigeria (FRC).

3.2 Basis of Preparation

The Company prepares its financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standard Board (IASB).

The financial statements have been prepared on a historical cost basis. The carrying values of recognised assets and liabilities are at deemed cost. The financial statements are presented in Nigerian Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

3.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

3.3.1 Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, including:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, value added taxes, excise duties and similar levies.

3.3.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3.3 Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

3.4 Income Taxes

The income tax components are the current taxes and deferred taxes.

3.4.1 Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.4.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are

expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.4.3 Value Added Tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax, except:

- Where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of Value Added Tax included. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Property, plant and equipment transferred from Third Party or Related Parties are initially measured at the fair value at the date on which control is obtained. Land and buildings are measured at fair value, less accumulated depreciation on buildings, and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The following useful lives are used in the calculation of depreciation:

• Plants and machinery	5 years
• Motor vehicles	4 years
• Office equipment	5 years
• Fixtures and fittings	10 years

3.6 Intangible assets

3.6.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.6.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.7 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a First In – First Out cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at date of inception. The arrangement is assessed to determine whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.9.1 The Company as a lessee

Finance leases, which transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Company, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight line basis over the lease term. The Company substantially only has operating leases.

3.9.2 Embedded leases

All take-or-pay contracts are reviewed on inception to determine if they contain any embedded leases.

3.9.3 The Company as a lessor

Leases where the Company does not transfer substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

General provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation to the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts: Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructuring: A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Warranties: Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

Environmental expenditures and liabilities

Environmental expenditures that relate to current or future revenues are expensed or capitalised as appropriate. Expenditures that relate to an existing condition caused by past operations and do not contribute to current or future earnings are expensed.

Liabilities for environmental costs are recognised when a clean-up is probable and the associated costs can be reliably estimated. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

The amount recognised is the best estimate of the expenditure required. Where the liability will not be settled for a number of years, the amount recognised is the present value of the estimated future expenditure.

3.11 Financial instruments – initial recognition and subsequent measurement

3.11.1 Financial Assets

Initial recognition and measurement

Financial assets in the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which do not include transaction costs.

Purchases or sales of financial assets that require delivery of assets in a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date at which the Company commits to purchase or sell the asset. The Company's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative changes in fair value) or finance revenue (positive net changes in fair value) in the statement of comprehensive income.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria in IAS 39 are satisfied. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Subsequent measurement

The Company evaluates its financial assets as held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify them. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, as these instruments cannot be reclassified after initial recognition.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value, with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either:

(a) The Company has transferred substantially all the risks and rewards of the asset, or

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.11.2 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Repurchase of Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of the Company's own equity instruments.

Financial liabilities

Initial recognition and measurement

Financial liabilities in the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the conditions in IAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Interest-bearing loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to [share premium/ other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to [retained profits/other equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

3.11.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.11.4 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

3.11.5 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less, but exclude any restricted cash which is not available for use by the Company and therefore is not considered highly liquid – for example, cash set aside to cover decommissioning obligations.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts.

3.12 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3.13 Retirement benefit costs

The Company maintains a defined contribution pension scheme in accordance with the Pension Reform Act 2014. The contribution by the employer and employee is 10% and 8% respectively, of the employee's monthly basic salary, transport and housing allowances.

Payments to defined contribution retirement benefit plans re recognised as an expense when the employees have rendered services entitling them to the contributions.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalised and deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management team that makes strategic decisions. In accordance with IFRS 8, the Group has the following business segments:

Segment	Description
Bulk	Bulk Segment relates to Bulk Commercial Sale of Petroleum Product such as PMS, AGO, DPK and Lube
Retail	Retails Segment relates to sale of Petroleum Product via the Retail Outlets
Dump	Dump Segment relates to the sale of Petroleum Product via Dumpsites provided at customers site/premises.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgement in applying accounting policies

The following is the critical judgement that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The Company has an agreement with related party to conduct sales on its behalf. The related party finances the purchase of the petroleum products and sells the products to the customers. Payments for that sales are equally received by the related party. As a consideration the related party receives 10% commission on the margins made on such sales.

Management views the arrangement as an agency relationship with the Company as the principal and the related party as agent. This judgment is based on the following considerations:

- The agreement transfers all risks and rewards of the transaction to the Company.

- The related party does not recognise revenue on the sales made under the agreement in its own books. It only recognises 10% gross margin as other income in its own books.
- So Energy discloses on the face of invoices issued to the customers that it is an agent of the Company.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The assets were assessed for impairment and there was no indication of impairment observed. Therefore, no impairment loss was recognised during the year.

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Revenue

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Revenue from AGO (Automotive Gas Oil)	4,068,207	6,332,239
Revenue from PMS (Premium Motor Spirit)	2,477,431	804,135
Revenue from DPK (Dual Purpose Kerosene)	133,591	104,332
Revenue from Lubricants (Lubes)	8,722	5,328
	6,682,951	**7,246,034**

All sales were made within Nigeria.

5.1 A significant portion of the Company's revenue is sold through a related company, So Energy Limited. The Company has an agreement with So Energy Ltd wherein So Energy Limited procures products and sells to customers and receives 10% commission on the margins made on such sales. Whereas So Energy Limited funded the operations of such sales, the agreement effectively transfers the risk and reward of the transactions to Rak Unity Petroleum Plc.

The sales made under the agreement and recognized in the revenue of Rak Unity Petroleum Plc. are shown in the analysis below together with the associated costs:

		2016 ₦' 000	2015 ₦' 000
	Sales made by So Energy under Agency agreement	2,941,073	5,763,409
	Sales made by Rak to third parties	3,741,878	1,482,625
	Total	**6,682,951**	**7,246,034**
	Cost of sales for sales made by So Energy under Agency agreement	2,614,476	5,408,784
	Cost of sales for sales made by Rak to third parties	3,619,771	1,602,125
	Total	**6,234,247**	**7,010,909**
6	**Cost of sales**		
	AGO	3,713,417	6,027,525
	PMS	2,387,259	772,796
	DPK	125,303	91,414
	LUBES	8,268	5,124
		6,234,247	**6,896,859**

7 Segment information

All of the Company's assets and operations are located in Nigeria. For management reporting purposes, the Company is organised into business units based on the main types of activities and has three reportable operating segments, as follows:

- Bulk - This segment relates to bulk commercial sale of petroleum product such as PMS, AGO, DPK and Lube.
- Retails - This segment relates to sale of petroleum product via the retail outlets.

- Dump – This segment relates to the sale of petroleum product via dumpsites provided at customers' sites/premises.

No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies used by the Company in reporting segments internally is the same as those contained in the financial statements.

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Operating Segments Results for the year ended 31st March 2016

	Bulk ₦' 000	Retail ₦' 000	Dump ₦' 000	Unallocated ₦' 000	Total ₦' 000
Revenue:					
External customers	5,390,317	1,114,284	178,350		**6,682,951**
Total Revenue	5,390,317	1,114,284	178,350		**6,682,951**
Other Income	15,797	3,289	-	-	**19,086**
Total Income	5,406,114	1,117,573	178,350		**6,702,037**
Total Expenses:					
Cost of Sales	(5,036,724)	(1,045,808)	(151,715)		**(6,234,247)**
Employee costs	-	-	-	(65,149)	**(65,149)**
Depreciation	-	(5,400)	-	(4,222)	**(9,622)**
Distribution expenses	(131,254)	(33,174)	(857)		**(165,285)**
Administrative and management expenses	(995)	(45,256)	-	(100,634)	**(146,885)**
Total expenses	**(5,168,973)**	**(1,129,638)**	**(152,572)**	**(170,005)**	**(6,621,188)**
Profit/(loss) before tax	**237,141**	**(12,065)**	**25,778**	**(170,005)**	**80,849**
Income tax expense	-	-	-	(27,503)	**(27,503)**
Profit for the year	-	-	-	-	**53,346**

Operating Segments Results for the year ended 31st March 2015

	Bulk ₦' 000	Retail ₦' 000	Dump ₦' 000	Unallocated ₦' 000	Total ₦' 000
Revenue:					
External customers	5,886,332	1,204,105	155,597	-	**7,246,034**
Total Revenue	**5,886,332**	**1,204,105**	**155,597**	**-**	**7,246,034**
Other Income	-	1,112	-	-	1,112
Total Income	5,886,332	1,205,217	155,597	-	**7,247,146**
Total Expenses:					
Cost of Sales	(5,612,761)	(1,143,981)	(140,117)	-	**(6,896,859)**
Employee costs	-	-	-	(13,762)	**(13.762)**
Depreciation	-	(4,860)	-	(3,966)	**(8,826)**
Distribution expenses	(100,863)	(13,187)	-	-	**(114,050)**
Administrative and management expenses	(1,078)	(37,159)	-	(43,148)	**(81,385)**
Total expenses	**(5,714,702)**	**(1,199,187)**	**(140,117)**	**(60,876)**	**(7,114,882)**
Profit/(loss) before tax	**171,630**	**6,030**	**15,480**	**(60,876)**	**132,264**
Income tax expense	-	-	-	(42,505)	**(42,505)**
Profit for the year	-	-	-	-	**89,759**

Revenue of approximately N2.94 billion (2015: N5.8billion) was derived from 9 customers. This revenue is attributable to the bulk segment.

There is no disclosure of assets and liabilities per business segment because the assets and liabilities of the Company are not directly related to a specific business segment.

8 Information on directors and employees

8.1 Employment Costs:

	2016 ₦' 000	2015 ₦' 000
Employment cost including Directors salaries and wages, staff training and benefit scheme	**104,443**	**14,605**

8.2 Number of employees of the Company in receipt of emoluments within the bands listed below are:

	Number	Number
Up to 1,000,000	-	-
N1,000,001 - N2,000,000	4	1
N2,000,001 - N3,000,000	1	-
N3,000,001 - N4,000,000	10	1
N4,000,001 - N5,000,000	2	-
N5,000,001 - Above	8	2
	24	**5**

Two senior management staff of related parties also provided services to the Company. The salaries of these staff were borne by the related parties.

8.3 Average number of employees during the year:

Managerial Staff	5	1
Senior Staff	16	3
Junior Staff	3	1
	24	**5**

Directors' Emoluments:

8.4	N'000	N'000
Emoluments of the Chairman	7,500	-
Directors' fees	23,500	-
Emoluments of Executives	-	-
	31,000	**-**

8.5 The emoluments of the highest paid Director were N2,500,000 (2015 - nil)

	Number	Number
8.6 Directors receiving no emolument	1	1

9 Expenses by nature

Administrative expenses

	2016 N'000	2015 N'000
Salaries and wages	65,149	13,762
Directors' remuneration	31,000	-
Amortization of Prepaid Leases	26,342	30,438
Repairs and maintenance	23,830	11,073
Professional and Management fees	14,209	15,362
Depreciation (Note 13)	9,622	8,826
Board expense	5,914	2,598
Penalties and fines	5,381	-
Bank charges	5,290	1,655
Audit fees	5,250	4,000
Post-employment benefits cost	4,458	843
Other Personnel cost	3,836	-
Rents and rates	3,820	4,089
Travel and accommodation expense	3,588	783
Entertainment, advertisement and public relations	2,065	2,372
Permits and licenses	1,389	2,101
Professional fees	1,089	-
Insurance expense	445	941
Other operating cost	8,979	5,130
	221,656	**103,973**

Directors remuneration represent amounts due and paid to directors for the period 2013 to the year ended 31 March 2016.

Distribution expenses

	2016 N'000	2015 N'000
AGO	139,624	100,997
PMS	25,455	12,269
DPK	206	784
	165,285	**114,050**

10 Other income

	2016	2015
Non fuel income	3,289	1,112
Foreign exchange gain	15,797	-
	19,086	**1,112**

Non fuel income relates to rental of supermarket at the retail outlets

11 Income taxes

11.1 Income tax recognised in profit or loss

	2016 ₦' 000	2015 ₦' 000
Current tax		
In respect of current year:		
Company income tax charge	22,756	38,396
Education tax	1,917	2,833
	24,673	**41,229**
Deferred tax		
In respect of the current year charge	2,830	1,276
	2,830	**1,276**

Total income tax expense recognised in the current year

	2016 ₦' 000	2015 ₦' 000
Current taxes	24,673	41,229
Deferred Taxes	2,830	1,276
Income taxes charged to profit or loss	**27,503**	**42,505**

	2016 ₦' 000	2015 ₦' 000
Profit before taxes	**80,849**	**132,264**
Tax at the statutory corporation tax rate of **30%**	24,254	42,324
Effect of taxable temporary difference on property, plant and equipment	(2,829)	(22,274)
Effect of investment allowance granted on plant and machinery	(283)	(794)
Education tax	1,917	
Deferred tax	2,829	
Effect of adjustments for permanent differences	1,614	23,249
Income tax expense recognised in profit or loss for continuing operations	**27,503**	**42,505**

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11.2 Current tax liabilities

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
At 1 April	43,585	17,386
Charged for current year	27,503	42,505
Deferred taxation	(2,830)	(1,276)
Payments during the year	(41,229)	(15,030)
Current tax liabilities	**27,029**	**43,585**

The charge for taxation in these financial statements is based on the provision of the Companies Income Tax Act CAP C 2, LFN 2004 and Tertiary Education Trust Fund Act 2011.

11.3 Deferred tax balances

The following are the major deferred tax liabilities recognised by the Company and movements thereon:

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
At 1 April	4,444	3,168
Deferred tax charge to profit or loss	2,830	1,276
	7,274	**4,444**

The deferred tax liability recorded as at year end is as a result of the differences between the depreciation rates adopted for accounting purposes and the rates of capital allowances granted for tax purposes.

12 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

The basic and diluted earnings per share are the same as there are no instruments that have a dilutive effect on earnings.

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Basic/diluted earnings per share – Naira	0.94	1.59

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12.1 Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows.

	2016 ₦' 000	2015 ₦' 000
Earnings for the purpose of basic earnings per share being net profit attributable to the owners of the Company	53,346	89,759

	Number of shares '000	Number of shares '000
Average number of ordinary shares of 50 kobo each for the purposes of basic earnings per share	56,625	56,625

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13 Property, plant and equipment

	Leasehold properties ₦' 000	Plant & Machinery ₦' 000	Motor Vehicles ₦' 000	Office Equipment ₦' 000	Leasehold Improvement ₦' 000	Furniture & Fittings ₦' 000	Total ₦' 000
Cost							
As at 1 April 2014	3,313	8,334	4,195	1,001	13,288	18,749	48,880
Additions during the year	-	7,941	-	-	2,161	3,675	13,777
As at 31st March 2015	**3,313**	**16,275**	**4,195**	**1,001**	**15,449**	**22,424**	**62,657**
Additions during the year	3,825	9,051	-	387	12,337	6,536	32,136
As at 31st March 2016	**7,138**	**25,326**	**4,195**	**1,388**	**27,786**	**28,960**	**94,793**
Accumulated Depreciation and impairment							
As at 1 April 2014	3,313	2,532	874	301	471	1,582	9,073
Depreciation charges	-	3,307	1,049	216	1,553	2,701	8,826
As at 31st March 2015	**3,313**	**5,839**	**1,923**	**517**	**2,024**	**4,283**	**17,899**
Depreciation charges	-	3,151	1,049	245	2,249	2,928	9,622
As at 31st March 2016	**3,313**	**8,990**	**2,972**	**762**	**4,273**	**7,211**	**27,521**
Carrying Amount							
As at 31st March 2016	**3,825**	**16,336**	**1,223**	**625**	**23,513**	**21,749**	**67,272**
As at 31st March 2015	**-**	**10,437**	**2,272**	**484**	**13,425**	**18,141**	**44,758**

13.1 There were no impairment losses within the year.

14 Inventories

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Premium motor spirit (PMS)	2,846	-
Automotive gas oil (AGO)	47,284	-
Lubricants	422	-
	50,552	**-**

15 Trade and other receivables

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Trade receivables	809,490	511,857
Other receivables	9,613	348
	819,103	**512,205**

15a Trade receivables

	2016	2015
Trade receivables - 3rd parties	30,099	1,380
Trade receivables - related party (note 21)	779,391	510,477
Trade receivables	**809,490**	**511,857**

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. There are currently no bad debts. None of the receivables as at 31 March 2016 were considered doubtful of recovery; hence, no allowance has been made for balances doubtful of recovery.

Trade receivable – related party represents amount due from So Energy Limited under the agency agreement between the Company and So Energy, and also amount due in respect of sales to the Company.

The Company does not hold any collateral or other credit enhancements over these balances.

15b Age analysis

	Not Impaired		Impaired		Total	
	2016 ₦' 000	2015 ₦' 000	2016 ₦' 000	2015 ₦' 000	2016 ₦' 000	2015 ₦' 000
1 - 30 days	406,277	511,857	-	-	**618,781**	**511,857**
31 - 60 days	317,658	-	-	-	**190,709**	**-**
61 - 90 days	27,793	-	-	-	**-**	**-**
more than 1 year	2,954	-	-	-	**-**	**-**
	809,490	**511,857**	**-**	**-**	**809,490**	**511,857**

There were no receivables that were doubtful of recovery as at 31st March 2016.

16 Cash and cash equivalents

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Cash at bank	379,217	44,933
Cash and cash equivalent as per statement of financial position and statement of cash flows	**379,217**	**44,933**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in statement of cash flows can be reconciled to the related items in the statement of financial position. The carrying amount of these assets is approximately equal to their fair value.

17 Prepayments

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Prepayments: current portion	32,387	29,152
Prepayments: non – current portion	61,162	65,092
	93,549	**94,244**

Prepayments relate to rental payments made for filling stations leased by the Company and payments for insurance premium.

18 Share capital

Authorised share capital

135,737,340 ordinary shares of 50k each	**67,868,670**	**67,868,670**

Issued capital

Share capital	28,312	28,312
Share premium	307,576	307,576
	335,888	**335,888**

Issued capital comprises of ordinary share capital of 56.6 million shares of 50 kobo each. No ordinary shares were issued within the year.

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Fully Paid Ordinary Share Capital

	Number of Shares 000	Share Capital ₦' 000	Share Premium ₦' 000
Balance as at 1st April 2014	56,625	28,312	307,576
Share issue during the year	-	-	-
Balance as at 31st March 2015	**56,625**	**28,312**	**307,576**
Share issue during the year	-	-	-
Balance as at 31st March 2016	**56,625**	**28,312**	**307,576**

19 Deferred income

Deposits by customers for goods and/or services	450	653
At 31st March	**450**	**653**

Deferred income represent advance rents paid on supermarkets in retail outlets.

20 Trade and other payables

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Trade Payables	573,364	112,859
Other Payables (note 20a)	295,240	64,622
	868,604	**177,481**

20 (a) Other payables

Accrued expenses	39,071	15,912
Due to related company (note 21)	197,633	10,695
Others	58,536	38,015
	295,240	**64,622**

21 Related party disclosure

The Company signed Technical and Management Services Agreement with its related company, So Energy Nigeria Limited. Under the agreement, So Energy provides management support services, human resources support, information technology support and internal audit services to the Company. So Energy receives 5% of gross profit for the services stated above. During the year the fee paid by the Company to So Energy was N14.2m (2015: 12.5m).

Under the Technical and Management Services Agreement, So Energy bills the Company 50% of the remuneration of So Energy staff that renders service to the Company.

So Energy Nigeria Limited also conducts sales on behalf of Rak Unity Petroleum Plc under an agency relationship. So Energy finances the purchase of the petroleum products and sells the products to the customers. Payments for those sales are equally received by So Energy. As a consideration, So Energy receives 10% commission on the margins made on such sales. The Company has issued to So Energy, an irrevocable payment guarantee in respect of products purchased by So Energy and sold on behalf of the Company. The sales made under the agreement are analysed in note 5.1.
During the year, the agency fee paid to So Energy was N21.2m (2015:N22.2m).
As at 31 March 2016, the balances due from/to related companies are as follows:

Amounts due to related companies

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Parent company:		
Toparte Nigeria Limited	5,930	5,930
Other related companies:		
So Energy Limited	370,830	117,626
Sahara Energy Resources Limited	394,237	-
	770,997	**123,556**

Amount due to So Energy Limited is made up of trade payable of N179.13 (2015: 112.85m) and other payables of 191.71m (2015: 4.76m) relating to payments made on behalf of the entity by So Energy Limited. Balance due to Sahara Energy Resources Limited represents outstanding balance in respect of petroleum products purchased by the Company.

Amount due from related companies

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
So Energy Limited	779,391	510,477
	779,391	**510,477**

Trade receivable – related party represents amount due from So Energy Limited under the agency agreement between the Company and So Energy, and also amount due in respect of sales to the Company.

22 Dividend

At the Annual General Meeting held on the 30th October 2015, the shareholders approved that dividend of 30 kobo per share be paid to shareholders (total value ₦16,987,507) for the year ended 31 March 2015.

23 Financial Instruments

23.1 Significant accounting policies

Details of significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

23.2 Categories of financial instruments

	31 March 2016 ₦' 000	31 March 2015 ₦' 000
Financial assets		
Loans and receivables		
Trade receivables	809,490	511,857
Other receivables	9,613	348
Cash and bank balances	379,217	44,933
	1,198,320	**557,138**
Financial liabilities		
Financial liabilities at amortized cost		
Trade payables	573,364	112,859
Other payables	288,188	63,285
	861,552	**176,144**

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23.3 Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

24 Financial risk management disclosure

24.1 Capital management disclosure

The Company manages its capital to ensure the entity will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2015.

Gearing ratio:

The gearing ratio at end of the reporting period was as follows.

	2016 ₦' 000	2015 ₦' 000
Debts (current and non-current) - **(a)**	903,357	226,163
Less: cash and cash equivalents	(379,217)	(44,953)
Net Debts	**524,140**	**181,210**
Equity - (b)	**506,336**	**469,977**
Net debt to equity ratio (a/b)	**103.52%**	**38.56%**

(a) - Debt is defined as long- and short-term borrowings (excluding derivatives and financial guarantee contracts).

(b) - Equity includes all capital and reserves of the Company that are managed as capital.

24.2 Financial risk management objectives

The Company's treasury/finance function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's treasury/finance function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

24.3 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: commodity price risk, interest rate risk and currency risk. Financial instruments affected by market risk include: loans and borrowings, deposits, trade receivables, trade payables, accrued liabilities and derivative financial instruments.

24.4 Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Currently, the Company does not have long term debt.

24.5 Foreign currency risk

The Company is not exposed to foreign currency risk. All its transactions are denominated in Naira.

24.6 Liquidity risk

The Company monitors its risk to a shortage of funds by monitoring its debt rating and the maturity dates of existing payables.

Liquidity GAP Analysis (Asset - Liability Matching) as at 31st March, 2016

FINANCIAL ASSETS:	On Call ₦' 000	< 1 year ₦' 000	1 - 2 years ₦' 000	2 - 5 years ₦' 000	>5years ₦' 000	Total ₦' 000
Other financial assets:						
Trade receivables	-	806,536	2,954	-	-	809,490
Other receivables	-	9,613	-	-	-	9,613
Cash and cash equivalents	-	379,217	-	-	-	379,217
Total Financial Assets	**-**	**1,195,366**	**2,954**	**-**	**-**	**1,198,320**

FINANCIAL LIABILITIES:	On Call ₦' 000	< 1 year ₦' 000	1 - 2 years ₦' 000	2 - 5 years ₦' 000	>5years ₦' 000	Total ₦' 000
Other financial liabilities						
- Trade payables	-	573,364	-	-	-	573,364
- Other payables	-	287,738	-	-	-	287,738
Total Financial Liabilities	**-**	**861,102**	**-**	**-**	**-**	**861,102**

Total Liquidity GAP	On Call ₦' 000	< 1 year ₦' 000	1 - 2 years ₦' 000	2 - 5 years ₦' 000	>5years ₦' 000	Total ₦' 000
Financial Assets	-	1,198,320	-	-	-	1,198,320
Financial Liabilities	-	**861,102**	-	-	-	**861,102**
Liquidity GAP (+/-)	**-**	**337,218**	**-**	**-**	**-**	**337,218**

Liquidity GAP Analysis (Asset - Liability Matching) as at 31st March, 2015

FINANCIAL ASSETS:	On Call ₦' 000	< 1 year ₦' 000	1 - 2 years ₦' 000	2 - 5 years ₦' 000	>5years ₦' 000	Total ₦' 000
Other financial assets:						
Trade receivables	-	511,857	-	-	-	511,857
Other receivables	-	348	-	-	-	348
Cash and cash equivalents	-	44,933	-	-	-	44,933
Total Financial Assets	**-**	**557,138**	**-**	**-**	**-**	**557,138**

FINANCIAL LIABILITIES:	On Call ₦' 000	< 1 year ₦' 000	1 - 2 years ₦' 000	2 - 5 years ₦' 000	>5years ₦' 000	Total ₦' 000
Other financial liabilities						
- Trade payables	-	112,859	-	-	-	112,859
- Other payables	-	62,632	-	-	-	62,632
Total Financial Liabilities	**-**	**175,491**	**-**	**-**	**-**	**175,491**

Total Liquidity GAP	On Call ₦' 000	< 1 year ₦' 000	1 - 2 years ₦' 000	2 - 5 years ₦' 000	>5years ₦' 000	Total ₦' 000
Financial Assets	-	**557,138**	-	-	-	**557,138**
Financial Liabilities	-	**175,491**	-	-	-	**175,491**
Liquidity GAP (+/-)	**-**	**381,647**	**-**	**-**	**-**	**381,647**

24.7 Credit risk

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. The Company obtains sufficient collateral (where appropriate) from customers as a means of mitigating the risk of financial loss from defaults. In addition, receivable balances are monitored on an ongoing basis, with the result that the Company's exposure to bad debts is not significant.

Refer to Note 15 for analysis of trade receivables ageing.

25 Events after the reporting period

There were no significant events after the end of the reporting date which could have had a material effect on the state of affairs of the Company as at 31 March 2016 and the profit for the year ended on that date which have not been adequately accounted for or disclosed where necessary in these financial statements.

26 Contingencies and commitments

The Company has no contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise.

The Company signed an irrevocable payment guarantee to a related party, So Energy Limited, in respect of products purchased by So Energy and sold on behalf of the Company to third parties under a Technical and Management Services Agreement between the Company and So Energy. The Company also assumes all risks and rewards on collection of all receivables attributed to sales made by So Energy to third parties under the agreement.

During the year, the Company was fined the sum of N178million by the Securities and Exchange Commission ("the Commission") for failing to file periodic returns (including annual returns) between 2011 and 2014, which predominantly was when the Company's operation was inactive. The Board of the Company has appealed this fine with the Securities and Exchange Commission on positive grounds. No provision was made for this fine as the Board of the Company is currently in discussion with the Commission and is of the opinion that the penalty will be reviewed by the Commission, taking into cognizance that significant portion of the fine is attributed to the long-period of dormancy, as the first operations of the Company after the revamping exercise was for the year ended 31 March 2014.

27 Comparative figures

Certain comparative figures have been restated in line with the presentation in the current year.

Other National Disclosures

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STATEMENT OF VALUE ADDED

	2016 ₦' 000	2016 %	2015 ₦' 000	2015 %
Turnover	6,682,951		7,246,034	
Other income	19,086		1,112	
Bought in Material and services - Local	(6,507,123)		(7,091,451)	
Value added	**194,914**	**100**	**155,695**	**100**
Applied as follows:				
To Pay Employees:				
Salaries and benefits	104,443	54	14,605	9
To Pay Government:				
Taxation	24,673	13	41,229	26
To Provide for Replacement of Assets and Future Developments:				
Depreciation of assets	9,622	5	8,826	6
Deferred tax	2,830	1	1,276	1
Profit for the year	53,346	27	89,759	58
Value added	**194,914**	**100**	**155,695**	**100**

Value added represents the additional wealth which the Company created through its own efforts and those of its employees. This statement shows the allocation of that wealth among employees, providers of capital, government and the proportion retained for the future creation of more wealth.

FINANCIAL SUMMARY

	2016 ₦' 000 IFRS	2015 ₦' 000 IFRS	2014 ₦' 000 IFRS	2013 ₦' 000 IFRS	2012 ₦' 000 NGAAP
ASSETS					
Property, plant and equipment	67,272	44,758	39,807	-	
Deferred tax assets	-	-	-	4,843	4715
Prepayment non – current	61,162	65,092	93,944	-	-
Current assets	1,281,259	586,290	1,052,082	329,162	-
	1,409,693	**696,140**	**1,185,833**	**334,005**	**4,715**
CAPITAL AND LIABILITIES					
Share Capital	28,312	28,312	28,312	28,312	6,787
Share premium	307,576	307,576	307,576	307,576	-
Retained Earnings	170,448	134,089	44,330	(9,543)	(11,156)
Current liabilities	896,083	221,719	802,447	7,660	9,084
Non-current liabilities	7,274	4,444	3,168	-	-
	1,409,693	**696,140**	**1,185,833**	**334,005**	**4,715**
Net assets/(liabilities)	**506,336**	**469,977**	**380,218**	**326,345**	**(4,369)**
TURNOVER AND PROFITS					
Turnover	6,682,951	7,246,034	3,831,438	-	-
Profit/(loss) before tax	80,849	132,264	79,269	(428)	-
Profit after tax	53,346	89,759	53,873	1,613	-
Earnings per share (Naira) - Basic	0.94	1.59	0.95	0.03	-
Net assets/(liabilities) per share	8.94	8.30	6.71	5.76	(0.32)

Earnings per share is based on profit after tax and the number of ordinary shares of 50 kobo in issue at the end of each financial year

Net assets' per share is based on the net asset and number of ordinary shares of 50 kobo in issue at the end of each financial year.

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PROXY FORM

RAK UNITY PETROLEUM COMPANY PLC RC: 5163

Number of Shares: ....

The Annual General Meeting to be held at **Ostra Hall Hotel behind M.K.O Gardens, Opp. Nigerian National Petroleum Corporation ("NNPC") Gas Plant, Central Business District, Alausa, Lagos** on **Friday, 28th October, 2016** at 11.00 a.m.

I/We --- being member/members of RAK Unity Petroleum Company Plc hereby appoint *-------------------------------- or failing him the Chairman of the meeting as my/our proxy to attend and vote for me/us and on my behalf at the Annual General Meeting of the Company to be held on 28th October, 2016 and at any adjournment thereof.

Dated this ------------------------ day of 2016

Signature of Shareholder

Name of Shareholder

Resolutions	For	Against
ORDINARY BUSINESS		
To elect/ reelect Directors: 1. To re-elect Mr. Edo-Abasi Bassey Ukpong 2. To re-elect Ms. Nonny Patricia Ugboma		
To elect members of the Audit Committee		
To authorise the Directors to determine the remuneration of the Auditors		
SPECIAL BUSINESS		
To approve the remuneration of the Directors		
To grant the company a General Mandate to enter into recurrent related party transactions		
Please indicate with an 'X' in the appropriate box how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion		

FIRST FOLD HERE

Please affix
postage stamp

Alsec Nominees Limited
St. Nicholas House (13th floor)
Catholic Mission Street, Ikoyi, Lagos

THIRD FOLD HERE & INSERT

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ADMISSION CARD

Annual General Meeting to be held at **Ostra Hall Hotel behind M.K.O Gardens, Opp. Nigerian National Petroleum Corporation ("NNPC") Gas Plant, Central Business District, Alausa, Lagos**, on 28th October, 2016 at 11.00 a.m.

Name of Shareholder (BLOCK LETTERS) ---
(Surname) (Other name)

No of Shares --

Important:

1. Before posting the proxy form above, please tear off this part and retain it. A person attending the Annual General Meeting of the Company or his proxy should produce this card to secure admission to the meeting.

2. A member of the Company is entitled to attend and vote at the Annual General Meeting of the Company, he is also entitled to appoint a proxy to attend and vote instead of him and in this case, the proxy form above may be used to appoint a proxy.

3. In line with the current practice, the name of the Chairman of the Company has been entered on the form to ensure that someone will be at the meeting to act as proxy, but if you wish, you may insert in the blank space on the form (marked *) the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the Company.

4. The above proxy form, when completed, must be deposited at the office of the Company Secretary, St. Nicholas House (13th Floor), Catholic Mission Street, Lagos not less than 48 hours before the time fixed for the meeting.

5. It is a requirement of the law under the Stamp Duties Act, Cap 411, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp of ₦50.00

6. If the form of proxy is executed by a company, it should be sealed under its common seal or under the hand and seal of its attorney.

Signature of the person attending ---

Affix Current Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

E-DIVIDEND

FirstRegistrars & INVESTOR SERVICES

E-DIVIDEND ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
First Registrars & Investor Services Ltd.
2,Abebe Village Road,Iganmu
P. M. B. 12692 Lagos. Nigeria.

I\We hereby request that henceforth, all my\our dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick) Current Savings

Shareholder Account Information

Surname First Name Other Names

Address :

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company's Seal

Joint\Company's Signatories

Authorised Signature of Banker Authorised Stamp of Banker

TICK	NAME OF COMPANY	ACCOUNT NO.
	ABC TRANSPORT PLC	
	ACAP CANARY GROWTH FUND	
	AFRICAN DEVELOPMENT BANK BOND	
	AFRICAN PAINTS PLC	
	ANCHOR FUND	
	ARM AGGRESSIVE GROWTH FUND	
	ARM DISCOVERY FUND	
	ARM ETHICAL FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	BANK PHB PLC (NOW KEYSTONE BANK LIMITED)	
	BAYELSA STATE BOND	
	BCN PLC-MARKETING COMPANY	
	BEDROCK FUND	
	CADBURY NIGERIA PLC	
	CHAMS PLC	
	COSTAIN WEST AFRICA PLC	
	CROSS RIVERS STATE BOND	
	DAAR COMMUNICATIONS PLC	
	DEAP CAPITAL MANAGEMENT & TRUST PLC	
	DELTA STATE GOVT BOND	
	DV BALANCED FUND	
	EDO STATE BOND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN HOLDINGS PLC	
	FBN MONEY MARKET FUND	
	FIDELITY BANK PLC	
	FIDELITY BOND	
	FIDELTY NIGFUND (INCOME & ACCUMULATED)	
	FORTIS MICROFINANCE BANK PLC	
	FRIESLANDCAMPINA WAMCO NIGERIA PLC	
	HALDANE MCCALL REIT	
	HONEYWELL FLOUR MILLS PLC	
	JULI PLC	
	KAKAWA GUARANTEED INCOME FUND	
	LAGOS STATE BOND SERIES 2	
	LEARN AFRICA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	OANDO PLC	
	ONDO STATE BOND	
	OYO STATE BOND	
	PARTNERSHIP INVESTMENT CO.PLC	
	PRESCO PLC	
	PRESTIGE ASSURANCE PLC	
	PZ-CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM PLC	
	REDEEMED GLOBAL MEDIA COMPANY	
	SIM CAPITAL ALLIANCE VALUE FUND	
	STACO INSURANCE PLC	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BANK PLC FLOATING RATE& FIXED RATE SUBORDINATED UNSECURED NOTES	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC ETF 30 FUND	
	STANBIC IBTC ETHICAL FUND	
	STANBIC IBTC GUARANTEED INCOME FUND	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC MONEY MARKET FUND	
	STANBIC IBTC NIGERIAN EQUITY FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	STARCOMMS PLC	
	UBA FIXED RATE SUBORDINATED UNSECURED NOTES	
	UNION DIAGNOSTIC AND CLINICAL SERVICES PLC	
	UPDC REITS	
	WEST AFRICAN ALUMINIUM PRODUCTS (WAAP)	
	ZAMFARA STATE BONDS	

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Note

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